

Polen Capital Global Small and Mid Cap Fund Investment Report & Fact Sheet

July 2023

Fund Overview

The Polen Capital Global Small and Mid Cap Fund is a long only, small and mid cap global equities fund. The Fund typically invests in a concentrated portfolio of 25-35 high-quality companies within the global small and mid cap company universe.

Using the unique Polen Flywheel Framework, the Small Company Growth team analyses opportunities to uncover compelling long-term structural growth and determine if the right conditions are in place to

identify companies that are well-positioned to deliver significant value over a five-year period.

Relative to its mega cap counterparts, with the weighted average market capitalisation of around US\$8 billion the Polen Capital Global Small and Mid Cap Fund seeks to offer a concentrated portfolio of interesting fast-growing smaller companies with a huge potential global runway of growth ahead of them.

Fund Facts

Investment Manager

Montgomery Investment Management Pty Ltd

Objective

The Fund aims to outperform the benchmark, over a rolling five-year period, net of fees.

Benchmark

MSCI ACWI SMID Cap Net Total Return Index, in Australian Dollars

Fund Construction

The Fund typically invests in a concentrated portfolio of 25 to 35 high-quality companies within the global small and mid-cap company universe with the potential to deliver sustained superior growth.

APIR

FHT8533AU

Portfolio Managers

Rob Forker

Recommended Investment Timeframe

At least 5 years

Minimum Initial Investment

A\$25,000

Inception Date

21 October 2021

Fund Size

\$21.4M

Management Fees and Costs

Up to 1.15% per annum of the net asset value of The Fund

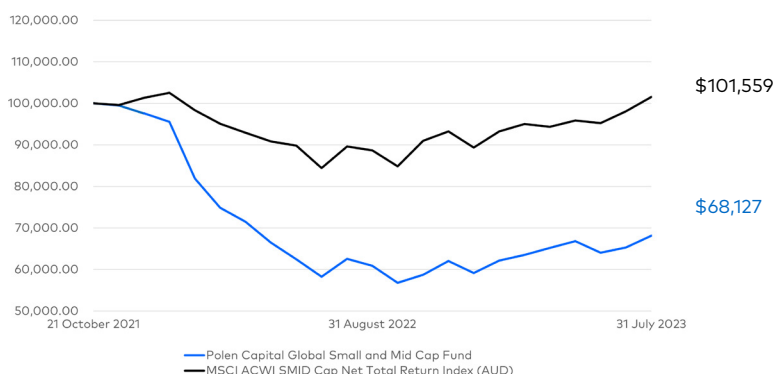
Performance Fees

17.56% of the excess total return of The Fund (after management fees and expenses have been deducted) above the Fund's benchmark.

Application & Redemption Prices

montinvest.com/our-funds/polen-capital-global-small-and-mid-cap-fund/

Polen Capital Global Small and Mid Cap Fund Performance



Contact Details

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Portfolio Performance (to 31 July 2023, after all fees)

	1 month	3 months	6 months	1 year	Since Inception (21 Oct 2021)	Compound Annual Return Since Inception
Polen Capital Global Small and Mid Cap Fund	4.30%	1.93%	9.65%	8.93%	-31.87%	-19.45%
MSCI ACWI SMID (AUD)	3.54%	5.93%	8.94%	13.30%	1.56%	0.88%
Out/Underperformance	0.76%	-4.00%	0.71%	-4.37%	-33.43%	-20.33%

Portfolio Performance is calculated after fees and costs, including the Investment management fee and Performance fee, but excludes the buy/sell spread. All returns are on a pre-tax basis.

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Fund Commentary

Global equity markets posted positive total returns for July, with support coming from generally slowing inflation numbers and robust GDP data, especially within the U.S. Emerging Markets, led by China, were the strongest equity markets by some distance over the month. Concerns about relative economic resilience led many central banks to continue tightening policy, with official cash rates expected to remain elevated for some time. Company earnings generally held up, although there were mixed market reactions. Against this backdrop, all sectors posted a positive return, with Energy and Financials leading the market. SMID Cap marginally outperformed large cap, and value outperformed growth.

For the month ended July 2023, the Polen Capital Global Small and Mid Cap Fund (the Fund) increased by 4.30 per cent in Australian dollars, while the benchmark the MSCI ACWI SMID Cap Index rose by 3.54 per cent in Australian dollars.

The security selection effect for the period was positive, with positive selection in Health Care and Consumer Discretionary sectors outweighing weaker selection in Information Technology and Real Estate. The sector allocation impact was negative, as the benefit of being overweight Industrials was outweighed by the negative impact of having zero weight in the Energy sector.

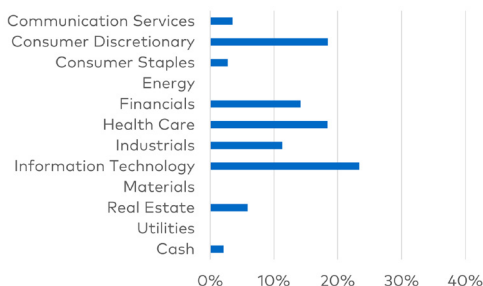
The top three relative contributors to performance were Shift, Paycom Software and Revolve Group. Shift, a Japanese headquartered technology company that specializes in software testing, reported solid results in the May 2023 quarter as the company benefitted from secular tailwinds related to software testing, development, and the outsourcing of associated IT services in Japan. Operating profit grew 117 per cent over the previous year. Paycom, a HR software business, continued its recent momentum ahead of upcoming quarterly results, supported by a resilient U.S. employment market.

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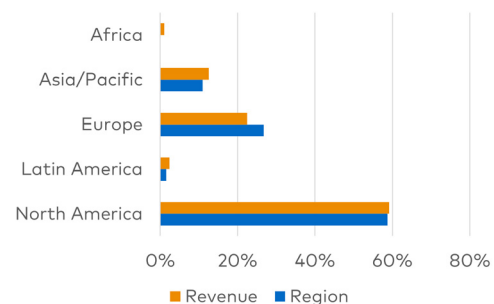
Top Completed Holdings (to 31 July 2023)

Company Name	Sector	Country of Domicile	Market Cap US\$ B	Weight (%)
Five Below Inc	Consumer Discretionary	United States	11.6	4.6
Floor & Decor Holdings Inc	Consumer Discretionary	United States	12.2	4.6
Eurofins Scientific SE	Health Care	Luxembourg	12.1	4.4
Goosehead Insurance Inc	Financials	United States	2.5	4.2
Alight Inc	Industrials	United States	5.3	4.1
Tyler Technologies Inc	Information Technology	United States	16.7	4.0
Paycom Software Inc	Industrials	United States	22.3	4.0
Align Technology Inc	Health Care	United States	28.9	3.8
Tecan Group AG	Health Care	Switzerland	5.1	3.5
CTS Eventim AG & Co KGaA	Communication Services	Germany	6.6	3.5

GICS Sector Exposure



Geographic Exposure



This report was prepared by Montgomery Investment Management Pty Ltd, AFSL No: 354564 ('Montgomery') the investment manager of the Polen Capital Global Small and Mid Cap Fund (ARSN: 652 035 642) (Fund). The Responsible Entity of the Fund is Fundhost Limited (ABN 69 092 517 087) (AFSL No: 233 045) ('Fundhost'). This report has been prepared for the purpose of providing general information, without taking into account your particular objectives, financial circumstances or needs. You should obtain and consider a copy of the Product Disclosure Document ('PDS') relating to the Fund before making a decision to invest. The PDS and Target Market Determination ('TMD') are available here: <https://www.montinvest.com/our-funds/polen-capital-global-small-and-mid-cap-fund/> and here: <https://fundhost.com.au/> While the information in this document has been prepared with all reasonable care, neither Fundhost nor Montgomery makes any representation or warranty as to the accuracy or completeness of any statement in this document including any forecasts. Neither Fundhost nor Montgomery guarantees the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither Fundhost nor Montgomery, including their employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this report. Past performance is not indicative of future performance.

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Revolve Group also rose despite no notable news flow, after a period of weakness and ahead of quarterly results.

The bottom three relative detractors from performance were Tyler Technologies, Koh Young Technology and TMX Group. Tyler Technologies, a software solutions business to the public sector, was weak after a period of strong performance, partly driven by concerns over the broader macroeconomic backdrop. Koh Young, a leader in 3D automated inspection, released preliminary results for the quarter and results were weaker than expected. TMX Group, continues to execute, posting another record revenue quarter, but was flat over the period.

The Fund initiated new positions in Morningstar, Progyny, TravelSky Technology and Doximity, while adding to its position in Yeti. The Fund sold out of its positions in CompuGroup Medical and Dechra Pharmaceutical (under takeover) while also reducing its position in Euronext.

Polen Capital continue to stay focused on the long-term value propositions, competitive advantages, ongoing initiatives, growth opportunities, and potential earnings power of the Fund's companies. As a reminder, our investment time horizon is five years. This allows us to think and act like owners. The markets continue to have a

lot of uncertainty and general volatility. Nearer term Polen Capital's turnover has been above what we'd typically expect as we take advantage of opportunities. Overall, Polen Capital's portfolio has a Return on Equity approaching 20 per cent, a long-term EPS growth estimate approaching 20 per cent, a relatively low Net Debt to EBITDA ratio (0.6X versus the benchmark's 2.9X) and a pipeline of potential new investments which remain attractive across a variety of industries and geographies.